**Annex II**

**S.02.01. - Balance sheet**

**General comments:**

This Annex contains additional instructions in relation to the templates included in Annex I of this Regulation. The first column of the next table identifies the items to be reported by identifying the columns and lines as showed in the template in Annex I.

This annex relates to opening, quarterly and annual submission of information for third country branches.

The “Solvency II value” column (C0010) shall be completed using the valuation principles set out in the Directive2009/138/EC, Delegated Regulation 2015/35, Solvency 2 Technical Standards and Guidelines.

With regards to the “Branch management accounts value” column (C0020), recognition and valuation methods are the ones used by undertakings in their financial statements in accordance with the local GAAP or IFRS if accepted as local GAAP. In template SR.02.01 this column is only applicable if the development of branch management accounts by RFF is required by national law.

The default position instruction is that each item shall be reported in the “Branch management accounts value” column, separately.

However, in the "Branch management accounts value" column the dotted lines were introduced in order to enable the reporting of aggregated figures if the split figures are not available.

|  |  |  |
| --- | --- | --- |
|  | **ITEM** | **INSTRUCTIONS** |
| **ASSETS** | | |
| Z0020 | Ring-fenced fund or remaining part | Identifies whether the reported figures are with regard to a RFF or to the remaining part. One of the options in the following closed list shall be used: 1 – RFF  2 – Remaining part |
| Z0030 | Fund number | When item Z0020 = 1, this is a unique number of fund, as attributed by the undertaking. It shall remain unvarying over time. It shall not be re-used for any other fund.  The number shall be used consistently across all templates, where relevant, to identify that fund.  When item Z0020 = 2, then report “0” |
| C0020/R0010 | Goodwill | Intangible asset that arises as the result of a business combination and that represents the economic value of assets that cannot be individually identified or separately recognised in a business combination. |
| C0020/R0020 | Deferred acquisition costs | Acquisition costs relating to contracts in force at the balance sheet date which are carried forward from one reporting period to subsequent reporting periods, relating to the unexpired periods of risks. In relation to life business, acquisition costs are deferred when it is probable that they will be recovered. |
| C0010 - C0020/R0030 | Intangible assets | Intangible assets other than goodwill. An identifiable non-monetary asset without physical substance. |
| C0010 - C0020/R0040 | Deferred tax assets | Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:  (a) deductible temporary differences;  (b) the carry forward of unused tax losses; and/or  (c) the carry forward of unused tax credits. |
| C0010 - C0020/R0050 | Pension benefit surplus | This is the total of net surplus related to employees’ pension scheme. |
| C0010 - C0020/R0060 | Property, plant & equipment held for own use | Tangible assets which are intended for permanent use and property held by the undertaking for own use. It includes also property for own use under construction. |
| C0010 - C0020/R0070 | Investments (other than assets held for index-linked and unit-linked contracts) | This is the total amount of investments, excluding assets held for index-linked and unit-linked contracts. |
| C0010 - C0020/R0080 | Property (other than for own use) | Amount of the property, other than for own use. It includes also property under construction other than for own use. |
| C0010 - C0020/R0090 | Holdings in related undertakings, including participations | Participations as defined in Article 13(20) and 212 (2) and holdings in related undertakings in Article 212(1)(b) of Directive 2009/138/EC.  When part of the assets regarding participation and related undertakings refer to unit and index linked contracts, these parts shall be reported in “Assets held for index-linked and unit-linked contracts” in C0010-C0020/R0220. |
| C0010 - C0020/R0100 | Equities | This is the total amount of equities, listed and unlisted.  With regard to ‘Branch management accounts value‘column (C0020), where- the split between listed and unlisted is not available, this item shall reflect the sum. |
| C0010 - C0020/R0110 | Equities - listed | Shares representing corporations’ capital, e.g. representing ownership in a corporation, negotiated on a regulated market or on a multilateral trading facility, as defined by Directive 2004/39/EC.  It shall exclude related undertakings, including participations.  With regard to ‘Branch management accounts value‘column (C0020), where the split between listed and unlisted is not available, this item shall not be reported. |
| C0010 - C0020/R0120 | Equities - unlisted | Shares representing corporations’ capital, e.g. representing ownership in a corporation, not negotiated on a regulated market or on a multilateral trading facility, as defined by Directive 2004/39/EC.  It shall exclude related undertakings, including participations.  With regard to ‘Branch management accounts value‘column (C0020), where the split between listed and unlisted is not available, this item shall not be reported. |
| C0010 - C0020/R0130 | Bonds | This is the total amount of government bonds, corporate bonds, structured notes and collateralised securities.  With regard to “Branch management accounts value” column (C0020) - where the split of bonds is not available, this item shall reflect the sum. |
| C0010 - C0020/R0140 | Government Bonds | Bonds issued by public authorities, whether by central governments, supra-national government institutions, regional governments or governmentslocal authorities and . bonds that are fully, unconditionally and irrevocably guaranteed by the European Central Bank, Member States' central government and central banks denominated and funded in the domestic currency of that central government and the central bank, multilateral development banks referred to in paragraph 2 of Article 117 of Regulation (EU) No 575/2013 or international organisations referred to in Article 118 of Regulation (EU) No 575/2013, where the guarantee meets the requirements set out in Article 215 of Delegated Regulation 2015/35.  With regard to ‘Branch management accounts value ‘column (C0020), where the split between bonds, structured products and collateralised securities is not available, this item shall not be reported. |
| C0010 - C0020/R0150 | Corporate Bonds | Bonds issued by corporations  With regard to ‘Branch management accounts value ‘column (C0020), where- the split between bonds, structured products and collateralised securities is not available, this item shall not be reported. |
| C0010 - C0020/R0160 | Structured notes | Hybrid securities, combining a fixed income (return in a form of fixed payments) instrument with a series of derivative components. Excluded from this category are fixed income securities that are issued by sovereign governments. Concerns securities that have embedded any categories of derivatives, including Credit Default Swaps (CDS), Constant Maturity Swaps (CMS), Credit Default Options. Assets under this category are not subject to unbundling (CDOp)  With regard to ‘Branch management accounts value ‘column (C0020), where- the split between bonds, structured products and collateralised securities is not available, this item shall not be reported. |
| C0010 - C0020/R0170 | Collateralised securities | Securities whose value and payments are derived from a portfolio of underlying assets. Includes Asset Backed Securities (ABS), Mortgage Backed securities (MBS), Commercial Mortgage Backed securities (CMBS), Collateralised Debt Obligations (CDO), Collateralised Loan Obligations (CLO), Collateralised Mortgage Obligations (CMO)  With regard to ‘Branch management accounts value ‘column (C0020), where- the split between bonds, structured products and collateralised securities is not available, this item shall not be reported. |
| C0010 - C0020/R0180 | Collective Investments Undertakings | Collective investment undertaking' means an undertaking for collective investment in transferable securities (UCITS) as defined in Article 1(2) of Directive 2009/65/EC of the European Parliament and of the Council or an alternative investment fund (AIF) as defined in Article 4(1)(a) of Directive 2011/61/EU of the European Parliament and of the Council. |
| C0010 - C0020/R0190 | Derivatives | A financial instrument or other contract with all three of the following characteristics:  (a) Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the ‘underlying’).  (b) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.  (c) It is settled at a future date.  Solvency II value, only if positive, of the derivative as of the reporting date is reported here (in case of negative value, see R0790). |
| C0010 - C0020/R0200 | Deposits other than cash equivalents | Deposits other than cash equivalents that cannot be used to make payments until before a specific maturity date and that are not exchangeable for currency or transferable deposits without any kind of significant restriction or penalty. |
| C0010 - C0020/R0210 | Other investments | Other investments not covered already within investments reported above. |
| C0010 -C0020/R0220 | Assets held for index-linked and unit-linked contracts | Assets held for index-linked and unit-linked contracts (classified in line of business 31 as defined in Annex I of Delegated Regulation 2015/35). |
| C0010 - C0020/R0230 | Loans and mortgages | This is the total amount of loans and mortgages, i.e. financial assets created when undertakings lend funds, either with or without collateral, including cash pools.  With regard to “Branch management accounts value” column ( C0020) - where the split of the split of loans & mortgages is not available, this item shall reflect the sum |
| C0010 - C0020/R0240 | Loans on policies | Loans made to policyholders, collateralised on policies (underlying technical provisions).  With regard to ‘Branch management accounts value ‘column (C0020), where- the split between loans on policies, loans on mortgages to individuals and other loans and mortgages is not available, this item shall not be reported. |
| C0010 - C0020/R0250 | Loans and mortgages to individuals | Financial assets created when creditors lend funds to debtors - individuals, with collateral or not, including cash pools.  With regard to ‘Branch management accounts value ‘column (C0020), where- the split between loans on policies, loans on mortgages to individuals and other loans and mortgages is not available, this item shall not be reported. |
| C0010 - C0020/R0260 | Other loans and mortgages | Financial assets created when creditors lend funds to debtors - others, not classifiable in item R0240 or R0250, with collateral or not, including cash pools.  With regard to ‘Branch management accounts value ‘column (C0020), where- the split between loans on policies, loans on mortgages to individuals and other loans and mortgages is not available, this item shall not be reported. |
| C0010 - C0020/R0270 | Reinsurance recoverables from: | This is the total amount of reinsurance recoverables. It corresponds to the amount of reinsurer share of technical provisions (including Finite Re and SPV). |
| C0010 - C0020/R0280 | Non-life and health similar to non-life | Reinsurance recoverables in respect of technical provisions for non-life and health similar to non-life.  With regard to ‘Branch management accounts value ‘column (C0020), where the split between non-life excluding health and health similar to non-life is not available this item shall reflect the sum. |
| C0010 - C0020/R0290 | Non-life excluding health | Reinsurance recoverables in respect of technical provisions for non-life business, excluding technical provisions for health- similar to non –life. |
| C0010 - C0020/R0300 | Health similar to non-life | Reinsurance recoverables in respect of technical provisions for health similar to non – life. |
| C0010 - C0020/R0310 | Life and health similar to life, excluding health and index-linked and unit-linked | Reinsurance recoverable in respect of technical provisions for life and health similar to life, excluding health and index-linked and unit-linked  With regard to ‘Branch management accounts value ‘column (C0020), where the split between life excluding health and index-linked and unit-linked and health similar to life is not available, this item shall reflect the sum. |
| C0010 - C0020/R0320 | Health similar to life | Reinsurance recoverables in respect of technical provisions for health-similar to life. |
| C0010 - C0020/R0330 | Life excluding health and index-linked and unit-linked | Reinsurance recoverables in respect of technical provisions for life business, excluding technical provisions health-similar to life techniques and technical provisions for index-linked and unit-linked. |
| C0010 - C0020/R0340 | Life index-linked and unit-linked | Reinsurance recoverables in respect of technical provisions for life index-linked and unit-linked business. |
| C0010 - C0020/R0350 | Deposits to cedants | Deposits relating to reinsurance accepted. |
| C0010 - C0020/R0360 | Insurance and intermediaries receivables | Amounts past-due for payment by policyholders, insurers, and other linked to insurance business, that are not included in cash-in flows of technical provisions.  It shall include receivables from reinsurance accepted. |
| C0010 - C0020/R0370 | Reinsurance receivables | Amounts past due by reinsurers and linked to reinsurance business that are not included in reinsurance recoverables.  It might include: the amounts past due from receivables from reinsurers that relate to settled claims of policyholders or beneficiaries; receivables from reinsurers in relation to other than insurance events or settled insurance claims, for example commissions. |
| C0010 - C0020/R0380 | Receivables (trade, not insurance) | Includes amounts receivables from employees or various business partners (not insurance-related), incl. public entities. |
| C0010 - C0020/R0410 | Cash and cash equivalents | Notes and coin in circulation that are commonly used to make payments, and deposits exchangeable for currency on demand at par and which are directly usable for making payments by cheque, draft, giro order, direct debit/credit, or other direct payment facility, without penalty or restriction.  Bank accounts shall not be netted off, thus only positive accounts shall be recognised in this item and bank overdrafts shown within liabilities unless where both legal right of offset and demonstrable intention to settle net exist. |
| C0010 - C0020/R0420 | Any other assets, not elsewhere shown | This is the amount of any other assets not elsewhere already included within balance Sheet items. |
| C0010 -C0020/R0500 | Total assets | This is the overall total amount of all assets. |
| **LIABILITIES** | | |
| C0010 -C0020/R0510 | Technical provisions – non-life | Sum of the technical provisions non-life.  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation.  With regard to ‘Branch management accounts value ‘column (C0020), where the split of technical provisions for non –life between non – life (excluding health) and health (similar to non – life) is not possible, this item shall reflect the sum. |
| C0010 - C0020/R0520 | Technical provisions – non-life (excluding health) | This is the total amount of technical provisions for non – life business (excluding health).  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0010/R0530 | Technical provisions – non-life (excluding health) – technical provisions calculated as a whole | This is the total amount of technical provisions calculated as whole (replicable/hedgeable portfolio) for non – life business (excluding health).  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0010/R0540 | Technical provisions – non-life (excluding health) - Best estimate | This is the total amount of best estimate of technical provisions for non - life business (excluding health).  Best estimate shall be reported gross of reinsurance  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0010/R0550 | Technical provisions – non-life (excluding health) - Risk margin | This is the total amount of risk margin of technical provisions for non – life business (excluding health).  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0010- C0020/R0560 | Technical provisions – health (similar to non-life) | This is the total amount of technical provisions for health (similar to non – life).  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0010/R0570 | Technical provisions – health (similar to non - life) – technical provisions calculated as a whole | This is the total amount of technical provisions calculated as a whole (replicable / hedgeable portfolio) for health (similar to non - life).  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0010/R0580 | Technical provisions – health(similar to non -life) - Best estimate | This is the total amount of best estimate of technical provisions for health business (similar to non – life).  Best estimate shall be reported gross of reinsurance  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0010/R0590 | Technical provisions – health (similar to non – life) - Risk margin | This is the total amount of risk margin of technical provisions for health business (similar to non – life).  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0010-C0020/R0600 | Technical provisions - life (excluding index-linked and unit-linked) | Sum of the technical provisions life (excluding index-linked and unit-linked).  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation.  With regard to ‘Branch management accounts value ‘column (C0020), where the split of technical provisions life (excluding index – linked and unit – linked) between health (similar to life) and life (excluding health, index- linked and unit – linked) is not possible, this item shall reflect the sum. |
| C0010- C0020/R0610 | Technical provisions – health (similar to life) | This is the total amount of technical provisions for health (similar to life) business.  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0010/R0620 | Technical provisions – health (similar to life) – technical provisions calculated as a whole | This is the total amount of technical provisions calculated as a whole (replicable / hedgeable portfolio) for health (similar to life) business.  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0010/R0630 | Technical provisions – health (similar to life) - Best estimate | This is the total amount of best estimate of technical provisions for health (similar to life) business.  Best estimate shall be reported gross of reinsurance.  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0010/R0640 | Technical provisions – health (similar to life) - Risk margin | This is the total amount of risk margin of technical provisions for health (similar to life) business.  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0010- C0020/R0650 | Technical provisions – life (excl. health and index-linked and unit-linked) | This is the total amount of technical provisions for life (excluding health and index - linked and unit – linked) business.  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0010/R0660 | Technical provisions – life (excl. health and index-linkded and unit-linked) – technical provisions calculated as a whole | This is the total amount of technical provisions calculated as a whole (replicable / hedgeable portfolio) for life (excluding health and index - linked and unit – linked) business.  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0010/R0670 | Technical provisions – life (excl. health and index-linkded and unit-linked) - Best estimate | This is the total amount of best estimate of technical provisions for life (excluding health and index - linked and unit – linked) business.  Best estimate shall be reported gross of reinsurance.  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0010/R0680 | Technical provisions – life (excl. health and index-linked and unit-linked) - Risk margin | This is the total amount of risk margin of technical provisions for life (excluding health and index - linked and unit – linked) business.  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0010- C0020/R0690 | Technical provisions – index-linked and unit-linked | This is the total amount of technical provisions for index – linked and unit – linked business.  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0010/R0700 | Technical provisions – index-linked and unit-linked – technical provisions calculated as a whole | This is the total amount of technical provisions calculated as a whole (replicable / hedgeable portfolio) for index – linked and unit – linked business.  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0010/R0710 | Technical provisions – index-linked and unit-linked - Best estimate | This is the total amount of best estimate of technical provisions for index – linked and unit – linked business.  Best estimate shall be reported gross of reinsurance.  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0010/R0720 | Technical provisions – index-linked and unit-linked - Risk margin | This is the total amount of risk margin of technical provisions for index – linked and unit – linked business.  This amount should include the apportionment from the Technical provisions transitional in accordance with the contributory methodology used for the purposes of MCR calculation. |
| C0020/R0730 | Other technical provisions | Other technical provisions, as recognised by third country undertakings in their branch management accounts value, in accordance with the local GAAP or IFRS. |
| C0010- C0020/R0740 | Contingent liabilities | A contingent liability is defined as:  a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence  of one or more uncertain future events not wholly within the control of the entity;  or  b) a present obligation that arises from past events even if:  (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or  (ii) the amount of the obligation cannot be measured with sufficient reliability.  The amount of contingent liabilities recognised in the balance sheet should follow the criteria set in article 11 of the Delegated Regulation 2015/35. |
| C0010- C0020/R0750 | Provisions other than technical provisions | Liabilities of uncertain timing or amount, excluding the ones reported under “Pension benefit obligations.  The provisions are recognised as liabilities (assuming that a reliable estimate can be made) when they represent obligations and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations. |
| C0010- C0020/R0760 | Pension benefit obligations | This is the total net obligations related to employees’ pension scheme. |
| C0010- C0020/R0770 | Deposits from reinsurers | Amounts (e.g. cash) received from reinsurer or deducted by the reinsurer according to the reinsurance contract. |
| C0010- C0020/R0780 | Deferred tax liabilities | Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences. |
| C0010- C0020/R0790 | Derivatives | A financial instrument or other contract with all three of the following characteristics:  (a) Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the ‘underlying’).  (b) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.  (c) It is settled at a future date.  Only derivative liabilities shall be reported on this line (i.e. derivatives with negative values as of the reporting date.) Derivatives assets shall be reported under C0010- C0020/R0190.  Undertakings which do not value derivatives in their Local GAAP do not need to provide a branch management accounts value. |
| C0010 - C0020/R0800 | Debts owed to credit institutions | Debts, such as mortgage and loans, owed to credit institutions, excluding bonds held by credit institutions ( it is not possible for the undertaking to identify all the holders of the bonds that it issues) and subordinated liabilities. It This shall also include bank overdrafts. |
| C0010 - C0020/R0810 | Financial liabilities other than debts owed to credit institutions | Financial liabilities including bonds issued by undertaking (held by credit institutions or not), structured notes issued by the undertaking itself and mortgage and loans due to other entities than credit institutions..  Subordinated liabilities shall not be included here. |
| C0010 - C0020/R0820 | Insurance and intermediaries payables | Amounts past due to policyholders, insurers and other business linked to insurance, but that are not technical provisions.  Includes amounts past due to (re)insurance intermediaries (e.g. commissions due to intermediaries but not yet paid by the undertaking). Excludes loans & mortgages due to other insurance companies, if they only relate to financing and are not linked to insurance business (such loans and mortgages shall be reported as financial liabilities).  It shall include payables from reinsurance accepted. |
| C0010 - C0020/R0830 | Reinsurance payables | Amounts payable, past due to reinsurers (in particular current accounts) other than deposits linked to reinsurance business, that are not included in reinsurance recoverables.  Includes payables to reinsurers that relate to ceded premiums. |
| C0010 - C0020/R0840 | Payables (trade, not insurance) | This is the total amount trade payables, including amounts due to employees, suppliers, etc. and not insurance-related, parallel to receivables (trade, not insurance) on asset side; includes public entities. |
| C0010 - C0020/R0880 | Any other liabilities, not elsewhere shown | This is the total of any other liabilities, not elsewhere already included in other Balance Sheet items. |
| C0010 - C0020/R0900 | Total liabilities | This is the overall total amount of all liabilities. |
| C0010/R1000 | Excess of assets over liabilities | This is the total of undertaking’s excess of assets over liabilities, valued in accordance with Solvency II valuation basis. Value of the assets minus liabilities. |
| C0020/R1000 | Excess of assets over liabilities  (Branch management accounts value) | This is the total of excess of assets over liabilities of branch management accounts value column. |